UNCTAD BULLETIN

NOVEMBER – DECEMBER 1993

NUMBER 23

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UNITED NATIONS CONFERENCE
ON TRADE AND DEVELOPMENT

EDITORIAL

The Uruguay Round of multilateral trade negotiations was finally concluded on 15 December 1993, seven years after it was launched. The Secretary-General of UNCTAD, Mr. Kenneth K.S. Dadzie, issued a statement in which he welcomed the successful conclusion of the Round while drawing attention to a number of outstanding issues. It was to be expected that a negotiating process of such vast scope and complexity would not give complete satisfaction to all countries. Indeed, some countries stand to be disadvantaged. As Mr. Dadzie announced in his statement, which is reproduced below, an analysis of the likely impact of the Round is being carried out in UNCTAD. The results of this exercise will be published in the *Bulletin* as they become available.

"The outcome of the Uruguay Round of multilateral trade negotiations is a major achievement. It is the most important landmark thus far in the international endeavour to strengthen the multilateral trading system and to bring about the further liberalization and expansion of world trade to the benefit of all countries. The results as they take effect will generate greater business confidence, create improved market access conditions, stimulate new investment and promote renewed growth in the world economy.

Governments participating in the Round are to be congratulated for demonstrating the political determination without which agreement on the wide-ranging and highly difficult issues involved would not have been possible. The international community is indebted to the former Director-General of GATT for laying the basis for the agreement now reached, and the present Director-General deserves every congratulation on the decisive role he has played since his assumption of office in bringing about this outcome.

In the nature of things, an undertaking of such magnitude and complexity as the Uruguay Round is bound to yield benefits to countries within different time-frames. The UNCTAD Trade and Development Board will, as agreed at UNCTAD VIII in February 1992, shortly undertake an analysis and assessment of the outcome of the Round in particular in areas of interest or concern to developing countries and its impact on the international trading system. It may be noted that a number of issues remain to be addressed both in the run-up to, and in the wake of, the April 1994 Ministerial Meeting. It should also be noted that many countries have meanwhile expressed concern about the balance from the standpoint of their respective national interests between the likely benefits and shortcomings of the outcome of the Round. Any such imbalances will need to be redressed through action in appropriate contexts including additional trade preferences, development assistance and debt relief. In addition, arrangements will be required to assist countries, especially developing countries and those in transition to a market economy, in taking full advantage of the results of the Round. UNCTAD stands ready to contribute fully to this effort".

The United Nations Conference on Trade and Development (UNCTAD) was set up by the General Assembly in 1964 as one of its permanent organs, mandated to promote international trade, particularly that of developing countries, with a view to accelerating their economic development. UNCTAD has evolved into a universal forum with a development perspective, in which member States review the interdependence of economies and of issues in trade, money and finance. UNCTAD is composed of 187 member States, including the 184 members of the United Nations; many intergovernmental and non-governmental organizations have observer status. The Conference normally meets every four years at ministerial level to establish policy guidelines. Between sessions, work is carried out by the Trade and Development Board and its standing committees, working groups and other subsidiary bodies. The problems of the least developed countries and of Africa's economic recovery receive special attention in UNCTAD's work. The UNCTAD staff-part of the United Nations Secretariat-numbers about 450 and is headed by a Secretary-General, currently Mr. Kenneth K. S. Dadzie (Ghana).

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Michael C. Bonello, Editor

FOREIGN PORTFOLIO EQUITY INVESTMENT IN DEVELOPING COUNTRIES

*Anh-Nga Tran-Nguyen**

Over the past four years, foreign portfolio equity investment (FPEI) in developing countries has expanded rapidly. The World Bank estimates that gross FPEI flows rose from US$ 3.5 billion in 1989 to US$ 8.2 billion in 1992. Other sources give much higher figures. This is a welcome sign of improved creditworthiness. At the same time, however, it raises a number of policy issues. Some of these are discussed below.

Are FPEI Flows Sustainable?

Recent interest in FPEI in emerging markets (EMs) has developed against the background of structural changes in international capital markets and in recipient countries. Advances in information and communications technology, deregulation of financial markets and increasing internationalization of transactions have led to the promotion of financial securitization. The growing importance of institutional investors such as insurance companies, pension funds and mutual investment funds, reinforced by demographic and institutional factors in OECD countries, is another element contributing to an increase in demand for equities.

In developing countries important structural changes have also encouraged FPEI flows. The widespread introduction of market-oriented economic reforms, including privatization and liberalization of domestic financial systems, has encouraged the development of stock markets. Many countries have also been relaxing restrictions on international capital transactions and allowing entry of foreign banks and other financial intermediaries. At the same time, the steady growth record of EM countries has strengthened the confidence of foreign investors.

Foreign investors are attracted to EMs by high returns and by possibilities offered for portfolio diversification. For several consecutive years EMs have ranked among the best performing markets, indicating that equity returns are positively correlated with export growth, dividend-per-share growth and industrial production. While returns can nevertheless be subject to wide fluctuations, EMs are generally not correlated with stock markets in developed countries and can, therefore, offer foreign investors opportunities to maximize returns and reduce risks through portfolio diversification.

On the other hand, EMs are still characterized by market weaknesses related to such factors as the small size of markets, high concentration of trading in a few major stocks, lack of liquidity, small number and size of listed companies, limited number of active traders, high volatility, inadequate market regulation or weak capacity to enforce rules. Such weaknesses may deter foreign investment.

Returns in EMs, moreover, have slowed down in the past two years, and some markets have remained highly volatile. Furthermore, the surge in portfolio flows to a number of Latin American countries was also due to a return of flight capital and to lower interest rates in the United States. The question, thus, arises as to whether the recent pace of expansion of FPEI in EMs can be sustained in the near future.

Other factors, however, support the view that there are good longer-term prospects for further increases in FPEI flows to developing countries. The continuing progress made in raising the standards of EMs and in improving economic management in EM countries is likely to make these markets even more attractive. On the demand side, there is an enormous potential represented by the pool of savings held by institutional investors in OECD countries, who are increasingly seeking investments other than those offered by mature markets.

As investment managers become more familiar with EMs, a relaxation of government policies in home countries concerning investment portfolios of these institutional investors could allow a multiple increase in FPEI.

The Role of Stock Markets

The main advantage of FPEI flows for recipient countries is that the servicing of imported capital is linked to returns on the investments made, thus helping to match service payments to ability to pay and serving as an effective instrument to share risks between investors and borrowers. Beyond the benefits of FPEI as a mechanism to channel foreign savings to developing countries, the question arises as to the role of stock markets in their financial systems.

A growing number of developing countries have recognized the useful role that stock markets can play in enhancing the efficiency of domestic financial systems. Stock markets can usefully complement and compete with the banking sector, thereby reducing the cost of capital for borrowers. They also permit a diversification of company ownership, more efficient risk sharing, and a healthier financial structure of corporations by improving their debt/equity ratios. The oppor-

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tunities which stock markets offer investors for diversifying their portfolios, moreover, also help lower the risk premium component in the cost of capital.

Secondary equity markets also help in matching the long-term horizon of borrowers with the short-term liquidity preference of investors. Through the stock price mechanism, a more effective allocation of investment might also result, as poor management of listed companies may have large effects on the price at which the market values a firm. Furthermore, listing on stock markets implies disclosure of information to investors; this will encourage firms to improve accounting standards and make management more transparent.

The recent history of developing economies adds other objectives that stock markets can usefully serve. Government policies promoting privatization and debt equity swaps, for example, can hardly be implemented outside the framework of a stock market. In addition, stock markets can become an important channel to raise external finance, as debt finance becomes less available as a consequence of the debt crisis.

However, stock markets are not without cost. The process of building investor confidence can be slow, as it requires a broad market, good regulation and a capacity to enforce rules. The costs involved in building up an appropriate infrastructure and regulatory framework can be important. Furthermore, the behaviour of stock markets can at times be destabilizing for the financial system. Market cycles and price volatility may have important adverse implications for the ability of companies to raise funds in the primary market.

The problem of asymmetric information, resulting from the fact that borrowers possess better information about their companies' prospects than lenders, may lead to credit rationing on bank loan markets. Similarly, in the equity market asymmetric information may lower the price the firm can obtain for its equity; in extreme cases, it can make it prohibitive to issue new shares. Credit rationing arising from imperfect information in both bank and equity markets can restrain the recourse to external finance and push companies to rely more on retained earnings.

It has recently been asserted that takeovers, which are regarded as a central function of stock markets in ensuring corporate governance, undermine contractual relations between investors, managers and employees. As a consequence, long-term investment may not be sustained. Financial markets in which takeovers are prevalent may, therefore, suffer from "short-termism", that is short time horizons for corporate investment decisions. Based on these observations, it has been asserted that the "market-oriented" economies of the United States and the United Kingdom are less competitive than the "bank-oriented" economies of Japan and Germany because of differences in corporate control which might have implications for investment policies of companies.

The possibility of a negative impact of takeovers on corporate governance does not, however, invalidate other positive contributions of stock markets, as equities remain important financial instruments to spread risks and to ensure a healthy corporate financial structure. Indeed, despite the important role played by banks, the Japanese stock market is the second largest market in the world, after the United States. Furthermore, in "bank-oriented" systems, although the problem of bank credit rationing can be mitigated for established firms, new entrants might face rationing on bank loans and, therefore, might have to rely on other sources of risk finance. In many developing countries, the interlocking between major corporate and bank interests has had an adverse impact on the solvency and efficiency of the financial system; it has also contributed to bar entry in product markets by new firms, thereby hindering efficient industrial development.

Resource Mobilization and Stock Markets

Available information on the contribution of stock markets to corporate finance indicates that equity issuance has recently surged in the more advanced developing countries.[1] The ratio of new equity issues by domestic firms to gross domestic investment has reached high levels in some years in a few rapidly growing economies of East Asia. For example, in the Republic of Korea this ratio reached 33 per cent in 1989. In Thailand, it was 28 per cent in 1989 and 20 per cent in 1990. In Malaysia, it was 21.6 per cent in 1990.

Recent studies have also revealed the importance of equity issuance in corporate finance of developing countries.[2] Furthermore, the experience of developed countries suggests that the behaviour currently observed in developing countries is consistent with the hypothesis that equity issuance as a source of finance tends to become increasingly important in the latter part of an economy's rapid-growth stage of development, but becomes more modest thereafter.

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[1] *See "Foreign portfolio equity investment in developing countries: current issues and prospects", TD/B/WG.1/11, Table 6.*

[2] *See J. Mullin: "Emerging Equity Markets in the Global Economy", Federal Reserve Bank of New York Quarterly Review, Summer 1993; Ajit Singh and Javed Hamid: Corporate financial structures in developing countries, Technical Paper No.1, IFC, Washington D.C. 1992.*

Finally, a significant correlation between the ratios of stock market capitalization to GDP and rates of growth over the period 1983-1991 has been observed in a few countries with good GDP growth records. These preliminary observations provide evidence of the positive role played by stock markets in the mobilization of finance, especially in dynamic developing countries. In a number of countries stock markets develop rapidly, in parallel with economic growth, and in periods of favourable stock prices corporations rely on equity issuance for an important part of their financial requirements.

Macroeconomic Impact of FPEI

The large capital inflows that developing countries have recently attracted have caused concern as to their macroeconomic impact, especially through an appreciation of real exchange rates, and the increased risks that they might entail for domestic capital markets because of unpredictable outflows. As far as FPEI is concerned, the size of such inflows in individual countries is not large enough to have a major impact on real exchange rates. The negative impact would rather result from the possibility of a massive withdrawal of cumulative equity investment in response to changes in short-term returns. Such outflows could result in payments difficulties and could have a destabilizing impact on the economy. If residents are ready to buy stock that foreigners want to sell, this will cause a drain in foreign exchange reserves. Otherwise, the effect will be a sharp drop in stock prices. The decline in stock prices could, however, be equally detrimental to the economy, if it affects other parts of the financial system and if it is prolonged enough to depress investment and consumption.

Experience so far indicates that such fears of massive outflows are largely unfounded: global investors have tended to "invest" in EMs, and foreign equity flows have not shown large fluctuations. Furthermore, the possibility of destabilizing outflows does not arise in the case of funds raised through depository receipts which are traded abroad and which are currently the dominant component of FPEI.

Financial Impact of FPEI

Increases in return volatility in EMs have been observed after the opening up of these markets. However, this was not due to the volatility of equity flows (which were, on the contrary, stabilized in the period following the opening-up), nor to increased sensitivity to price swings in foreign stock markets (which showed no such volatility). The greater market volatility might be due to higher market efficiency, as new information is reflected in prices more fully and quickly, with increased liquidity and more frequent trading. Nevertheless, because of this possible effect on markets which are already volatile, a case can perhaps be made for a gradual liberalization of domestic stock markets.

On the other hand, FPEI brings benefits through the mobilization of additional finance, a reduction of capital costs for domestic firms and an improvement in the standards of local stock markets. The issuing of shares by domestic firms on international capital markets through international offerings and depository receipts, as well as purchases by foreigners of new share issues on local markets, will directly finance an increase in investment. Even in the case of stock purchases by foreigners on the secondary markets, this will also help indirectly to finance investment. First, the increased wealth of local investors can be expected to induce an expansion in their consumption, which in turn, might encourage domestic production and investment; the sellers of stocks might also decide to use part of their wealth to finance other investments. Second, the increase in foreign demand for local stocks will push up equity prices, which will lower the cost of capital and encourage new equity issues.

Finally, FPEI is expected to help in the further development of domestic stock markets. Foreign investors would instil confidence among local investors, demand timely and quality information, as well as minority protection, and require adequate market and trading regulations. FPEI would also encourage the development of new institutions and services, transfer of technology and training of local personnel.

Conclusions

Foreign investors have been mainly attracted by high returns in EMs, which are broadly determined by the growth and macroeconomic performance of EM countries. Countries that have attracted FPEI flows are generally those with high growth prospects and which have become internationally competitive.

Given the huge potential represented by institutional savings in OECD countries, there is room for further increases in FPEI. In order to encourage such flows, countries will have to build up investors' confidence by strengthening the operational framework of local stock markets. This will require a stable economic policy framework conducive to growth, which would ensure a steady supply of equities as well as a demand for them; and an adequate institutional regulatory and legal infrastructure capable of supporting an efficient operation of the securities market.

NAFTA'S LIKELY IMPLICATIONS FOR CHINA AND HONG KONG

*Xiaoning James Zhan**

The North American Free Trade Area (NAFTA) came into force on 1 January 1994. The creation of NAFTA has aroused fears in third countries that the elimination of trade barriers within NAFTA will strengthen the competitiveness of its members to the detriment of third country exports. This article attempts to assess, both at the cross-sectoral and sectoral levels, the possible effects of NAFTA on exports from China and Hong Kong to North America.[1]

The Effects of an FTA on Non-members

In theory, when two countries agree to reduce barriers on their mutual trade, third countries stand to lose export markets or be obliged to lower their prices to compete with the barrier-free or barrier-reduced imports of the two partner countries. Either way, third countries may suffer income losses, in the first instance from reduced demand for their exports (volume-of-trade effect), and also from a worsening of their terms of trade with the partner countries (terms-of-trade effect).

The extent of such effects depends very much on three factors, *viz.* the level of export similarity between non-members and members; the extent of actual existing trade barriers between members in those sectors where non-members compete with members; and individual non-members' comparative advantages.

Since no entirely accurate measurement technique exists, four measures are used here and their results compared: (i) an across-the-board computation of the indices of export similarity, to determine the overall degree of substitution or complementarity of export products in the North American market; (ii) a cross-sectoral assessment by "matching", in terms of volume of trade and level of trade barriers, the individual export categories of China and Hong Kong to the individual integrating markets (such as the United States market) with those to the same market from intra-regional sources (such as Canada or Mexico), so as to identify sectors that would be subject to possible serious terms-of-trade effects; (iii) a sectoral analysis focusing on those export sectors which are crucial to China and Hong Kong in the North American market – a complement to the above two assessments; and (iv) an analysis of the comparative advantages of China and Hong Kong *vis-à-vis* other non-NAFTA suppliers in the North American market by computing the indices of their "revealed" comparative advantages, in order to identify the export sectors of China and Hong Kong where serious volume-of-trade effects might occur.

While it is difficult to gauge the precise extent of terms-of-trade and volume-of-trade effects, mainly because of some uncertainties concerning the implementation of the NAFTA agreement and/or its impact, some broad trends and possible impacts are nevertheless discernable.

Export Similarities

The extent of terms-of-trade and volume-of-trade effects vary according to the composition of individual non-members' exports *vis-à-vis* that of the individual members in a third internal member's market. Negative effects occur for those export products from non-members which are substitutable in the importing market. If complementarity is present between the products of members and non-members, significant negative effects are unlikely.

This proposition is examined by using the export similarity index.[2] Such indices were computed for exports by China, Hong Kong, the United States, Canada and Mexico to individual NAFTA members. These were based on data at the three-digit SITC level, covering 180 product categories for each of the five countries. The trade data covered two years (1990-1991), so as to reduce the impact on the index of year-to-year fluctuations in particular product groups.

The computation shows that the export similarity of China and Hong Kong *vis-à-vis* NAFTA members is not high (within a range of 17 to 32), except for China/the United States in the Mexican market (with an index value of 44), to which exports from China are not, however, significant. It also reveals that the export patterns among NAFTA members are much more similar than those of China and Hong Kong *vis-à-vis* NAFTA members (all have index values higher than 50).

These results imply that in terms of overall trade patterns, competition between China and Hong Kong in the North American market is not so great – much less than that between the NAFTA members. Complementarity does exist. Therefore, the reduction of trade barriers within

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[1] *A full-length version of this article is available as UNCTAD Discussion Paper No. 72.*

[2] *The index can have values of between 0 and 100: the former represents fully different export profiles while the latter indicates identical profiles.*

NAFTA may not lead to serious effects on a large number of export categories from China and Hong Kong.

Possible Terms-of-Trade Effects

The extent of the effects on the terms-of-trade and volume-of-trade of non-members also depends on the degree of discrimination, through the elimination of trade control measures among members, against non-members in the "overlapping" or "matching" of export categories. The underlying assumptions in this case are that the reduction in trade barriers among members of a free trade area improves the terms of trade of members *vis-à-vis* non-members; and that the larger the reduction, the more the terms of trade of non-members will suffer.

To undertake this measurement, the trade flows of China and Hong Kong to the North American market and the levels of pre-NAFTA trade barriers (both tariff and non-tariff measures) were examined; export categories where serious discriminatory effects are likely to occur and the extent of such effects caused by the elimination of trade barriers were then identified. The data used for tariff and non-tariff barriers in the North American market as the basis of pre-NAFTA status were those for 1988, since economic integration in North America was already underway even before the commencement of the NAFTA negotiations.

It was observed that tariffs do not form the principal obstacle to the North American market. The pre-NAFTA tariffs between the United States, Canada and Mexico are indeed already relatively low, although high for a few product categories. Non-tariff barriers (NTBs) between NAFTA members, however, are relatively important, both in terms of trade volume and frequency coverage. Nevertheless, it may not be true in the case of some sectors in which the exports of China and Hong Kong are significant in the North American market, especially in Canada and Mexico. The sectors mostly affected by NTBs are textiles and clothing (not necessarily in terms of restrictiveness) and travel goods and handbags (particularly in the case of the United States against Mexico).

Because the North American market is reasonably "open" and the bulk of exports from China and Hong Kong are relatively concentrated in a limited number of commodity categories, the main possible discriminatory impact of NAFTA on China and Hong Kong is limited to a few product categories. Out of 60 export categories (at the two-digit SITC level) for each country, 11 categories in the United States market, 13 categories in the Canadian market, and 16 categories in the Mexican market were identified in this respect. The exports of these products together account for about 43 per cent and 49 per cent, respectively of the total exports from China and Hong Kong to the North American market.

Textiles and clothing account for a large proportion of the total exports of China and Hong Kong to North America, about 24 per cent for the former and 45 per cent for the latter in 1991. China and Hong Kong are respectively the largest and third largest textiles and clothing exporters to the region. The sectoral analysis shows that the negative trade effects in this sector are unlikely to be as great as might be suggested by the above figures. This is because of the "silent" integration process prior to NAFTA, the weak restrictiveness of quotas and a production-sharing programme between the United States and Mexico. Moreover, the elimination of tariffs and quotas will be offset by the introduction of strict rules of origin. A third factor is Mexico's limited supply capacity *vis-à-vis* the overall import demand of the region, including a low share of Mexican exports of textiles and clothing in the North American market (3.4 per cent).

The above suggests that the export sectors of China and Hong Kong that are likely to be discriminated against are limited in number. Footwear (high tariff barriers), travel goods and handbags and furniture (high tariff barriers in Canada and Mexico) are the export sectors where the impact is likely to be considerable, not only because of the strong trade protection of the NAFTA market, but also because of their significant share in the total exports of China and Hong Kong. It can be concluded that the margin of the overall terms-of-trade effects on the exports of China and Hong Kong will not be very large.

Possible Volume-of-Trade Effects

In a dynamic setting the export performance of China and Hong Kong in North America, as elsewhere, would be determined by its competitiveness. As the relative size of the NAFTA market shrinks for outsiders, fiercer competition takes place among non-NAFTA suppliers in which less efficient ones suffer, while those who improve their comparative advantages gain.

Furthermore, if NAFTA were to generate significant economic expansion in the region, imports from third countries might be expected to increase, even sufficiently to offset any tendency for imports from these third countries to decline because of NAFTA's terms-of-trade effects. Third countries could then, on balance, benefit from such a regional free trade arrangement.

The indices of the "Revealed Comparative Advantages" (RCA) in all the export product groups were computed. The data covered

imports from China, Hong Kong and the rest of non-NAFTA suppliers to the United States and Canadian markets between 1990 and 1991. One of the major findings was that in those export sectors in which China and Hong Kong compete with one or more of the NAFTA members and where the intra-regional trade barriers are high, such as textiles and clothing, footwear, travel goods and handbags, and furniture (in case of China), China and/or Hong Kong enjoy significant comparative advantages over the rest of non-NAFTA suppliers. Thus, those export sectors in which China and Hong Kong have comparative advantages are less likely to experience great losses as a result of NAFTA, so long as they maintain their price and non-price competitiveness.

Empirical evidence has also shown that the initial integration in the context of the United States-Canada FTA and the "silent integration" process in North America did not result in a decline in exports from China and Hong Kong to that market during the late 1980s and early 1990s. On the contrary, exports have been increasing, especially China's. In other words, depending on their competitiveness, not only can China and Hong Kong avoid deceleration in their exports to North America, but also their market share may in fact improve in the post-1994 period, even when the share of intra-NAFTA trade increases. This does not mean, however, that the terms-of-trade of China and Hong Kong would not be affected.

Conclusions

Regional integration groupings like NAFTA, which account for a sizeable share of world trade, may shift terms of trade against non-members and lead to a reduction in trade with suppliers outside the region. The extent of such effects will of course vary from country to country and from sector to sector.

Some broad conclusions on NAFTA's impact on the exports of China and Hong Kong can be drawn. The narrow overlapping of exports between China, Hong Kong and NAFTA members in the North American market implies that competition between China, Hong Kong and NAFTA members is not significant. The existing level of intra-regional trade barriers is already relatively low in a number of product categories in which China and Hong Kong are competing with "internal" NAFTA sources. The actual export sectors of China and Hong Kong that are likely to be significantly discriminated against are therefore limited. The most important ones are footwear, travel goods, handbags, and furniture, in which the terms-of-trade effects are likely to be serious. Finally, while the analysis predicts some terms-of-trade effects on China and Hong Kong, their trade flows to the North American market may not necessarily decrease drastically. The computations suggest that the export categories that might be seriously affected are nevertheless categories in which China and Hong Kong enjoy comparative advantages over other non-NAFTA suppliers.

THE "TRIPS" AGREEMENT AND THE DEVELOPING COUNTRIES *

The basic norms of free competition established in the nineteenth century induced legislators to provide relatively weak forms of intellectual property protection. Often innovators could rely only on such factors as lead time, reputation for quality and continuing technical improvements to maintain their foothold in the market.

Undermining this outlook were two developments that led to the inclusion of intellectual property issues in the Uruguay Round of multilateral trade negotiations. First, the rise of knowledge-based industries radically altered the nature of competition and disrupted the equilibrium that had resulted from more traditional comparative advantages. Second, the growing capacity of manufacturers in developing countries to penetrate distant markets for traditional industrial products forced the developed countries to rely more heavily on their comparative advantages in the production of intellectual goods than in the past. Market access for developing countries thus became a bargaining chip to be exchanged for greater protection of intellectual goods within a restructured global market place.

Since 1986 the developed countries' drive for extraterritorial protection of intellectual property rights has largely ignored the competitive capabilities of developing countries with respect to intellectual goods, and it has also downplayed these countries' rights to preferential treatment under existing GATT rules. At the same time, the logic of multilateral trade negotiations skews the pre-existing North-South conflict over intellectual property rights by introducing the prospects of trade concessions in unrelated fields.

Intellectual property rights constitute but one of many variables that bear on competitive capacity and the transfer of technology in general. Nevertheless, developing countries will have to work

* *This article draws on a study prepared by J.H. Reichman, Professor of Law, Vanderbilt University, in collaboration with the UNCTAD secretariat, to be published shortly.*

harder to compete generally, and to acquire technological innovation specifically, once the Trade-related Intellectual Property Rights (TRIPS) Agreement enters into force. On the other hand, any competitive efforts that yield a foothold on the global market and any effective transfer of technology achieved in the process, would probably produce greater and more lasting returns.

Primary Intellectual Property Regimes

Patents

The extension of patentability to virtually all types of technology recognized by developed patent systems, the prolongation of patent protection to a uniform term of twenty years, and legal recognition of the patentee's exclusive rights to import the relevant products as a result of the Uruguay Round could adversely affect developing countries whose existing patent laws fall below these standards. In practice, however, the competitive status of any given developing country in a post-TRIPS world will depend in part on the level of foreign direct investment it attracts and on the benefits that strengthened intellectual property rights bring to domestic innovators.

Competition under stronger patent regimes requires developing countries to adopt legal means of narrowing the scope of foreign patent monopolies and of encouraging local entrepreneurs either to work around the claimed inventions or to develop improvements suited to local conditions. To this end, local entrepreneurs should exploit technical information in disclosures published abroad; patent authorities should exercise all of the claims limitations practiced abroad; and domestic courts should strictly interpret the doctrine of equivalents. Legislative enactment of utility model laws would provide additional incentives to adapt foreign inventions to local conditions and to improve them further.

Moreover, unpatented traditional technologies will often remain suitable for local needs, and the resulting products may be sold at lower prices than imported products of patented technologies. Entrepreneurs in developing countries should also be prepared to exploit unpatented applications of applied scientific know-how in such advanced technologies as biogenetic engineering and computer programme-related innovation.

In time, increased direct investment by foreign patentees could enable developing-country licensees who exploit their natural advantages, especially low labour costs, to succeed on both domestic and export markets where non-licencees were unable or unwilling to venture in the past. Familiarization with the benefits of the patent system should stimulate greater investment in domestic research and development and in technological innovation.

The gradual extension of patents to new technologies such as computer programmes and biogenetic engineering without the emergence of agreed international minimum standards creates both opportunities and risks for the developing countries. While the developed countries enjoy unique advantages in biotechnology that only become available to developing countries as a consequence of stronger patent systems, some developing countries may find their own competitive status enhanced by the provision of proprietary rights, including plant breeders' rights, though others may not. The patenting of biogenetic advances decreases the scope for reverse-engineering and could also increase the costs of doing business in key sectors of some developing economies, notably agriculture. As regards information technologies, reliance on copyright and trade secrets at the international level appears less unfavourable to the developing countries' prospects than patents, for reasons that are set out below. However, the tendency to patent software could diminish these prospects by posing limits to reverse engineering and to the attainment of interoperability, and this trend adds to the overall costs of disseminating information goods.

To the extent that patented technology is not made available on reasonable terms or that unwholesome economic dependencies actually arise, developing countries will have to consider measures to restore the competitive balance that are consistent with the TRIPS Agreement as well as the Paris Convention. For example, the Agreement allows compulsory licences when the rights holders fail to license patented technology "on reasonable commercial terms". It also provides other bases for defensive regulatory action by emphasizing "the transfer and dissemination of technology, to the mutual advantage of producers and users" and the need "to promote the public interest in sectors of vital importance to socio-economic and technological development".

Measures to restrain abuse of intellectual property rights as authorized by the Paris Convention also remain available under the TRIPS Agreement, which expressly empowers developing countries to deal with licensing practices that "adversely affect the international transfer of technology".

Finally, the Agreement specifically preserves the right of all States to "adopt measures necessary to protect public health and nutrition and to promote the public interest in sectors of vital importance to socio-economic and technological development, provided that such measures are consistent with the provisions of this Agreement".

Trademarks and Geographical Indications
The TRIPS provisions give pre-existing norms greater specificity while softening the use requirement and eliminating both compulsory licences and local linkage requirements. These provisions also subject the international regime of trademarks and unfair competition to more stringent enforcement measures, including border controls against imports of counterfeit goods.

As a result, developing countries will need to reassess the pro-competitive functions of trademarks in open economies while addressing questions of abuse in a more direct fashion. They should insist on receiving the technical cooperation and aid that the TRIPS Agreement envisages for the purpose of defraying administrative and enforcement burdens.

Governments should consider policies and incentives that encourage enterprises to establish their own market identities through appropriate trademarks and foreign firms to allow licencees to adapt more of the licensed products for both domestic and export needs under local trademarks.

Copyrights
Authors in many developing countries are very active in both domestic and foreign markets. It nonetheless remains true that the balance of trade in cultural goods favours exports from developed countries. This imbalance could increase under the TRIPS Agreement, which generally applies the international minimum standards of the Berne Convention, plus selected standards from the Rome Convention on neighbouring rights.

While efforts to implement these standards is mandatory, developing-country authorities should familiarize themselves with the extent to which the scope of copyright protection varies from country to country, in the absence of authoritative legal limitations recognized by international law. Carefully framed public-interest exceptions may further reduce the overall costs of a TRIPS Agreement without violating international copyright norms. Moreover, the revised Berne Convention already provides for compulsory licences for educational and scientific tests, and developing countries may wish to consider making greater use of these concessions.

Ancillary Proprietary Regimes

Trade Secrets
In modern economies trade secret law regulates the pace of competition by endowing second comers with an absolute right to reverse-engineer. To operate successfully under such a regime, developing countries must realign the concept of "transfer of technology" with the nature of competition in open markets. Technology is transferred through self-help methods of reverse engineering. The potential benefits of reverse-engineering unpatented technologies increase when advanced technologies are involved, notably biogenetic engineering, computer programmes and computer-aided design. The unpatented, non-copyrightable know-how underlying these technologies is often embodied in tangible products available to the public, which renders classical trade secret protection of doubtful efficacy. By ignoring this problem, the TRIPS Agreement provides entrepreneurs in developing countries with major opportunities, notwithstanding the extension of trade secret law under TRIPS, provided they are willing and able to master the art of reverse-engineering.

Other Proprietary Regimes
The TRIPS Agreement mandates intellectual property protection for industrial designs, plant varieties and integrated circuit designs. Although the developed countries enjoy a clear advantage in advanced sectors of industrial design, more traditional sectors rooted in aesthetic appeal rather than technical efficiency remain accessible to firms in developing countries. Some experts believe that developing countries stand to gain from protecting plant breeders' rights under the UPOV framework, although plant patents seem less desirable.

Need for Multilateral Policies
Global economic integration increasingly requires that intangible creations receive minimum international standards of legal protection. Purely territorial intellectual property rights will thus give way to international economic law at some cost to national sovereignty. However, the norms of that law represent a delicate balance between the interests of States at different stages of development, so that the evolution of international intellectual property law will have to accommodate these norms and that balance.

Efforts to implement higher intellectual property standards will put increasing strains on competition law, which is not directly covered by the TRIPS Agreement. Identifying the parameters of healthy competition valid for all players in an integrated world market will become a pressing task for the international community in a post-TRIPS world. These issues will be complicated by the fact that innovators, users, and second comers all have different stakes in fashioning the rules of unfair competition law, and their interests will increasingly vary more with their economic roles

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REVIEWS

INTERNATIONAL MONETARY AND FINANCIAL ISSUES FOR THE 1990s

United Nations publication
UNCTAD/GID/G24/3-Vol.III

A companion volume to the two reviewed in the first two *Bulletin* issues of 1993, this publication brings together six research papers prepared for the Intergovernmental Group of Twenty-Four on International Monetary Affairs (G-24). The papers are listed below.

- *Enhancing the Cost-Effectiveness of Africa's Negotiations with its Creditors*
  Tony Killick
- *ESAF Renewal: Project Decision or Structural Entry Point?*
  Reginald Herbold Green
- *Suggestions for International Collaboration to Reduce Destabilizing Effects of International Capital Mobility on the Developing Countries*
  David Felix
- *Selected International Policy Issues on Private Market Financing for Developing Countries*
  Edmar L. Bacha
- *Guidelines on the Treatment of Foreign Direct Investment*
  Mike Faber
- *The United Nations Conference on Environment and Development: An Overview*
  Nurul Islam

THE ROLE OF THE BASLE COMMITTEE ON BANKING SUPERVISION IN THE REGULATION OF INTERNATIONAL BANKING

Andrew Cornford
UNCTAD Discussion Paper – No. 68, Sept. 1993

This *Discussion Paper* discusses the role of the Basle Committee on Banking Supervision which since its creation has been concerned primarily with the strengthening of prudential supervision and the improvement of banks' internal operational controls; and with the harmonization of national regulatory regimes to the extent required to prevent them from being a source of unfair advantage in competition between banks.

A major outcome of the Committee's work was the 1988 agreement to establish a target level for a bank's capital in relation to a risk-weighted sum of its assets and off-balance-sheet exposures. Other agreements have covered the respective responsibility of supervisors in the home and host countries of international banks, the exchange of information between supervisors, appropriate prudential guidelines and internal controls for different banking risks, and money laundering.

Growing evidence of weaknesses in the regulations of banks in some centres and of impediments to supervisory cooperation resulting from laws on banking secrecy, culminating in the failure in 1991 of the Bank of Credit and Commerce International (BCCI), led the Basle Committee in July 1992 to set certain minimum supervisory standards and to link their observance to the process of granting market access to foreign banks. If these guidelines are adhered to, a world-wide improvement in bank regulation may be expected.

THE LEVEL AND VOLATILITY OF EXTERNAL FINANCIAL POSITIONS AND THE COSTS OF EXPORT CREDIT INSURANCE

Sebastian Schich
UNCTAD Discussion Paper – No. 69, Sept. 1993

This *Discussion Paper* attempts to identify some determinants of the additional transaction costs in trade that poorer countries in adverse financial situations often incur because of the larger use they make of expensive trade financing arrangements. The *Paper* investigates the costs of export credit insurance to developing countries, using a theoretical model of international trade finance. The central idea of the model is that export credit insurance is similar to a contingent claim such as a put option. Thus, tools from option pricing theory are used to calculate the price of export credit insurance. The results of a cross-country statistical analysis confirm some of the empirical implications of this model. For example, the debt service ratio of a debtor country, and in particular the volatility of changes in this ratio, contribute significantly to the determination of the costs of insurance of export credits to that country. The results lend support to the hypothesis that countries with an unfavourable external financial position incur higher trade transaction costs.

ECOLABELLING AND INTERNATIONAL TRADE

Veena Jha, René Vossenaar, Simonetta Zarrilli
UNCTAD Discussion Paper – No. 70, Oct. 1993

This *Discussion Paper* provides the background to an UNCTAD project which will analyze the potential impact of ecolabelling schemes on the exports of developing countries. It examines seven schemes and outlines procedures for the development of, and the process of product approval for, a label; the scheme's impact on trade and consumer behaviour; the cost to manufacturers; and the effects which the granting of

these labels may have on developing countries' trade. The *Paper* stresses that environmental eco-labels increase consumer awareness of the environmental effects of production of goods, inducing manufacturers to change production processes and design in favour of environmentally friendlier ones. However, assessing a product's relative ecological impact has proved difficult and the schemes, developed in response to domestic concerns, may create non-tariff barriers to international trade. Developing countries are often at a disadvantage because of the difficulties and costs involved in meeting label criteria and in learning of, and adapting to, new requirements.

DEBT MANAGEMENT
UNCTAD/GID/DMS/5, June 1993, 8 pp.

This pamphlet describes a joint programme of technical cooperation set-up by UNDP, UNCTAD and the World Bank in 1991 to equip countries with the necessary policy framework, infrastructure and information systems for recording and monitoring debt and for deploying and analyzing the data for policy-making. This partnership draws on the complementary resources and experiences of each institution in helping developing countries establish appropriate environments for debt management. The pamphlet describes the activities of the joint programme at the global, regional and country levels as well as the modalities for participation in the programme.

TRADE AND GROWTH: NEW DILEMMAS IN TRADE POLICY
Manuel R. Agocin and Diana Tussie, editors
McMillan International Political Economy Series
St. Martin's Press, Inc. New York, 1993; 296 pp.

Trade policy in developing countries is the central focus of this collection of papers prepared for an UNCTAD research and technical cooperation project entitled "Trade Policies for Developing Countries in the 1990s" financed by the governments of Germany, Italy, Norway and Sweden. During the 1980s there has been a sea-change in attitudes towards trade policy in both developing and developed countries, prompted by the process of globalization and by new contributions to the theory of international trade and its applicability to developing countries. The centre of the controversy is whether sustained outward-oriented growth is best achieved through trade liberalization and incentive neutrality, or whether it requires selective trade policies and activist post-industrialization government stances.

These papers seek to pull together the different strands of the argument and show how they interact. Part One deals with the emerging conditions in the world trading system which serve as the parameters within which trade policy must operate. Part Two addresses new conceptualizations in respect of trade policy issues, while Part Three assesses the trajectories and performances of selected Latin American and Asian countries that have undertaken different varieties of trade policy reform.

MANAGEMENT CONSULTING: A SURVEY OF THE INDUSTRY AND ITS LARGEST FIRMS
United Nations publication
Sales No. E.93.11.A.17, US $25

This study, which follows on from a series that began in 1990 with the publication of the *Directory of the World's Largest Service Companies*, introduces a series of surveys with a new format consisting of separate volumes on individual service industries.

The *Survey* estimates the size of the world market for management consulting services at US$ 25.3 billion in 1991, with more than half of the market accounted for by the United States. Part One examines the origin and development of the management-consulting industry, its structure, market size and the geographical distribution of markets. In subsequent sections, recent trends in technology, the role of transnational corporations, interlinkages, development implications and the national and international regulatory framework are discussed. Looking ahead, the *Survey* predicts increased consolidation in the industry, higher concentration and a blurring of the distinction between the advisory and other functions of management consulting firms. Part Two provides detailed information on 16 top management consulting companies.

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than with the geopolitical affiliations of their respective national States.

Competition law must, accordingly, remain an integral part of international discussions of intellectual property rights, and there is a great need for multilateral cooperation to achieve a market-wide balance between incentives to create, and reasonable opportunities to imitate and improve upon, technological innovation. These discussions should lead to an internationally agreed framework for promoting a transfer of technology that is compatible with the drive for greater economic efficiency. To the extent that such cooperation succeeds, it will contribute a new perspective to the notion of fair competition that should strengthen the prospects of all participants in the global marketplace.

NOTES

EXPERTS DISCUSS PROMOTION OF ESTs

With the financial support of the Government of Norway, UNCTAD organized a workshop on the transfer and development of environmentally sound technologies (ESTs) in Oslo from 13-15 October. Considerable attention was paid by the 45 experts present to the respective roles of the private sector, particularly in the research, development, use and diffusion of ESTs and in upgrading environmental performance standards; and of governments, mainly in providing the appropriate regulatory framework and supportive infrastructure to stimulate the demand for ESTs and in cooperating with international bodies and the private sector to promote benchmark technologies. The experts' conclusions will be further discussed at the UNCTAD Ad Hoc Working Group on the Interrelationship between Investment and Technology Transfer and at the UN Commission on Sustainable Development's meeting on ESTs to be held in February 1994.

COMPETITION EXPERTS DISCUSS RESTRICTIVE BUSINESS PRACTICES

Sixty-five countries took part in the annual review of competition policy which was undertaken from 18-22 October by the UNCTAD Intergovernmental Group of Experts on Restrictive Business Practices (RBPs). Most countries were represented by the heads or other senior executives of national competition authorities. The meeting was mainly devoted to informal exchanges on specific topics. Several delegations also informed the Group about new legislation, or changes in existing laws – in many cases national legislation draws on the UN Set of Principles and Rules on RBPs – and about their experience with the control of RBPs.

UNCTAD AT ARAB-AFRICAN TRADE FAIR

Together with other UN organizations UNCTAD took part in the first Arab-African Trade Fair in Tunis from 22-31 October, which was organized by the Organization of African Unity (OAU), the League of Arab States and the Tunisian Government to promote trade, economic and technical cooperation between Arab and African countries. Apart from manning a stand displaying information about the organization's activities, UNCTAD representatives participated in a symposium on trade promotion; organized workshops during which they briefed participants on UNCTAD's technical cooperation programmes; and contributed to the work of a high-level group of African trade experts and of the Twelfth Conference of African Ministers of Trade, which took place in the framework of the Trade Fair.

MR. DADZIE'S MESSAGE TO ANRPC

In a statement to the Association of Natural Rubber Producing Countries (ANRPC) in Bali, Indonesia from 25-27 October, the Secretary-General of UNCTAD, Mr. K.K.S. Dadzie, stressed the urgency for countries importing and exporting rubber to clarify their positions so as to enable a United Nations Conference to expeditiously negotiate a new International Natural Rubber Agreement. The current Agreement, due to expire on 28 December 1994, has succeeded in preventing prices from breaking the lower limit through buffer stock operations, but has not been able to promote the orderly development of the rubber economy over the longer term. Six exporting countries and 21 importing countries plus the EC are members of the Agreement. Together they represent 94 per cent and 71 per cent of world exports and imports of natural rubber, respectively. A negotiating conference is expected to be convened in April 1994.

MULTIMODAL TRANSPORT ACTIVITIES

In collaboration with the Portuguese TRAINMAR Centre, UNCTAD organized a workshop for multimodal transport operators near Lisbon from 25-29 October. Participants included senior executives of private entities engaged in international transport activities in Portugal and Spain. Discussions focused on how to convert a unimodal transport service into a multimodal one.

The Spanish TRAINMAR Centre and UNCTAD jointly organized a workshop on multinational transport in Valencia from 28-29 October for senior executives from the Spanish private and public transport sectors. Discussions focused on the applicability of international multimodal transport in the Spanish context.

Together with this same Centre, UNCTAD organized the first global meeting on multimodal transport in Valencia from 1-6 November. The meeting was financed jointly by the Spanish Government and the EC and participants included training lecturers from 18 countries from around the world. The purpose was to improve existing multimodal transport training material and to develop new ways of funding future activities.

IRON ORE EXPERTS EXPRESS OPTIMISM

Against a background of a gradual recovery in demand for, and in world trade of iron ore, government and industry representatives from

31 producer and consumer countries attending the annual meeting of the UNCTAD Intergovernmental Group of Experts on Iron Ore from 25-27 October were more confident about prospects for 1994. Reduced economic activity in Germany and Japan is expected to be offset by higher demand from other steel producing countries, especially China and the Republic of Korea.

The meeting was addressed by three guest speakers. The Vice-President of the China Metallurgical Import and Export Corporation, Mr. Dong Zhi Xiong, spoke about trends and problems in the iron ore industry in China, while Mr. Dieter Sinka, the General Director of Corex Process of Voest Alpine Industrieanalagenbau GmbH of Austria described the most recent advances in the Corex environmentally-sound technology for ironmaking, which is an alternative to the conventional coke oven-blast furnace process. Mr. W. Deutzman, Head of the Steel Raw Materials Unit at the EC made a presentation on the Community's iron ore supply situation.

EXPERTS STUDY PORT MODERNIZATION

At the end of a week-long meeting the UNCTAD Intergovernmental Group of Experts on Ports on 29 October, 180 senior officials and port directors from 78 countries and international organizations acknowledged that ports needed to respond to the new economic environment by adopting market-oriented strategies and customer-oriented solutions. They could not do so, however, without government support. In this regard the Group recommended reflection by governments on the potential of ports in fostering trade and development and called for the use of modern managerial methods and for port organization systems which were more adapted to current trade requirements. Two major areas covered by the recommendations are environmental concerns and the need for adequate port legislation.

The meeting was preceded by a two-day policy seminar on port marketing and electronic data interchange (EDI) which was attended by 60 participants from 35 countries.

POOR PROSPECTS FOR TUNGSTEN

UNCTAD's Intergovernmental Group of Experts on Tungsten held its annual review of the market situation from 8-10 November against the background of unprecedented distress in the industry, with tungsten demand, prices and mine production at their lowest levels since the mid-1960s. The dramatic fall in prices is largely attributable to weak activity in the tool-making, automobile and defense industries and to structural changes in the industry, substitution and competition from new products as well as technological advances. The experts, representing governments and enterprises from 15 tungsten producing and consuming countries accounting for some 90 percent of world trade in tungsten products, concluded that no significant short-term improvement in prices was likely, since any positive effects of a world economic recovery would be offset by the structural and other factors mentioned above.

SEMINAR ON PRIVATIZATION IN W. AFRICA

In conjunction with the Government of Cape Verde and USAID, and with the financial support of the Government of Italy, UNCTAD organized a seminar on privatization in West Africa in Praia, Cape Verde from 17-19 November. Some 100 public and private sector experts took part, including senior officials in charge of privatization from Cape Verde, Gambia, Ghana, Guinea Guinea-Bissau and Senegal, as well as managers of trade-related public enterprises directly affected by the policies of privatization and the reform of public enterprises. Presentations on individual country experiences enabled participants to identify common problems and factors, including technical cooperation, that can make a critical difference in the successful design and implementation of privatization programmes.

WORKSHOP ON COMMODITY EXPORT STRATEGIES IN AFRICAN COUNTRIES

A workshop on export strategies for cotton, tea and horticultural products in African countries undergoing structural adjustment was organized in Dar-es-Salaam, United Republic of Tanzania, from 24-27 November by UNCTAD with the financial support of the Government of Australia and in cooperation with the International Trade Centre UNCTAD/GATT (ITC) and the United Nations Development Programme (UNDP). Participants included senior officials from Ethiopia, Kenya, Malawi, Uganda, Zimbabwe and the host country, as well as experts from Israel and from the intergovernmental Liaison Committee Europe-Africa-Caribbean-Pacific (COLEACP).

The aim of the workshop was to assist governments in reshaping policies relating to the three selected commodities. Aspects covered included the effects of deregulation and reduced budgets on production and export marketing; the formulation and implementation of policies in a deregulated framework, including a definition of the balance of tasks and functions between the government and the private sector; and the implications of deregulation for the efficient use of marketing techniques, including the use of commodity exchanges, and for information flows.

PUBLICATIONS

- Ad Hoc Working Group on Investment and Financial Flows: Non-debt creating Finance for Development: New Mechanisms for Increasing Investment and Financial Flows. Case studies submitted by Nigeria (TD/B/WG.1/Misc.3/Add.9); Myanmar (TD/B/WG.1/Misc.3/Add.1)
- Multilateral Measures to Promote Foreign Direct Investment (TD/B/WG.1/Misc.2/Add.5); (TD/B/WG.1/Misc.2/Add.1)
- Host Country Policies and Measures to Promote Foreign Direct Investment: A synthesis of eight case studies (TD/B/WG.1/10)
- Portfolio Equity Investment and New Financing Mechanisms: Foreign Portfolio Equity Investment in Developing Countries: Current issues and prospects (TD/B/WG.1/11)
- Facilitating Trade: Compendium of Trade Facilitation Recommendations (TD/B/WG.2/4)
- Field Evaluation of the Trade Point Programme: Interim Report (TD/B/WG.2/7)
- The Trade Point: Concept and implementation (TD/B/WG.2/7/Add.1)
- Preparatory Work for the United Nations International Symposium on Trade Efficiency: Progress Report (TD/B/WG.2/8)
- Ad Hoc Working Group on Comparative Experiences with Privatization: Country presentation submitted by Canada (TD/B/WG.3/Misc.18)
- In-Depth Consideration of: (i) Competition and the Regulation of Privatized Monopolies (ii) Social Impact and Poverty Related Support Measures (TD/B/WG.3/11)
- Ad Hoc Working Group on Expansion of Trading Opportunities for Developing Countries: Presentations by Bolivia (TD/B/WG.4/Misc.2); Ecuador (TD/B/WG.4/Misc.5); United States of America (TD/B/WG.4/Misc.14); Nepal (TD/B/WG.4/Misc.15); Finland (TD/B/WG.4/Misc.16); Japan (TD/B/WG.4/Misc.17); India (TD/B/WG.4/Misc.18); France (TD/B/WG.4/Misc.19)
- Consideration of Issues Arising from the Work Programme of the Ad Hoc Working Group: Executive summary of the study on foreign direct investment and exports of manufactures from developing economies. Part I: Economic policies. Part II: An empirical evaluation by regions and countries (TD/B/WG.4/CRP.2)
- Consideration of Issues Arising from the Work Programme of the Ad Hoc Working Group: Market opportunities – trade measures: implications of regional integration arrangements (TD/B/WG.4/7)
- Ad Hoc Working Group on Interrelationship between Investment and Technology Transfer: Case studies submitted by Sri Lanka (TD/B/WG.5/Misc.3); Sweden (TD/B/WG.5/Misc.2); Romania (TD/B/WG.5/Misc.4); Korea (TD/B/WG.5/Misc.5); Nigeria (TD/B/WG.5/Misc.6) Venezuela (TD/B/WG.5/Misc.7); Chile (TD/B/WG.5/Misc.8); The Netherlands (TD/B/WG.5/Misc.11)
- Fostering Technological Dynamism: Evolution of Thought on Technology Capacity Building and Competitiveness: Summary of the review and analysis of the literature (TD/B/WG.5/7)
- Review of the Work of the United Nations System and Selected Organizations Dealing with Investment-Related Technology Issues (TD/B/WG.5/8)
- Generalized System of Preferences: Scheme of Norway (TD/B/GSP/Norway/31); Scheme of Sweden (TD/B/GSP/Sweden/10)
- Compensatory Financing Mechanisms: Review of Developments in the Field of Compensatory Financing of Export Earnings Shortfalls (TD/B/CN.1/11)
- Situation and Prospects for Commodities (TD/B/CN.1/13)
- Analysis of National Experiences in Horizontal and Vertical Diversification, including the Possibilities for Crop Substitution (TD/B/CN.1/14)
- Fostering Sustainable Development in the Commodity Field: Analysis of National Experiences in the Management of Natural Resources with Regard to Commodity Production, Mineral Resources and Sustainable Development (TD/B/CN.1/16)
- From Technological Competence Building to Competitiveness: Challenges for Public-Funded R & D in India: A Case Study of the National Chemical Laboratory, Pune (UNCTAD/ITD/TEC/10)
- The Concept of Services Trade Statistics (UNCTAD/SDD/SER/1)
- Harmonization and Recognition of Professional Qualifications (UNCTAD/SDD/SER/2)
- The Impact of Subsidies on Trade in Services (UNCTAD/SDD/SER/3)
- Studies on Restrictive Business Practices Related to the Provisions of the Set of Principles and Rules: The Role of Competition Policy in Economic Reforms in Developing and Other Countries (TD/B/RBP/36)
- Concentration of Market Power through Mergers, Take-overs, Joint Ventures and Other Acquisitions of Control, and its Effects on International Markets, in Particular the Markets of Developing Countries (TD/B/RBP/40/Rev.2)
- Report of the Trade and Development Board on the First Part of its Fortieth Session (TD/B/40(1)/14/Vol.1)

UNCTAD documents are available for reference at all United Nations information Centres and at depository libraries for United Nations publications. The yearly subscription for all mimeographed UNCTAD documents is US$ 300 including postage. Requests for such subscriptions as well as orders for individual sales publications should be addressed to: United Nations Sales Section, Palais des Nations, 1211 Geneva 10, Switzerland.

FORTHCOMING UNCTAD MEETINGS

- ***February***

  28-4 March

  Ad Hoc Working Group on Expansion of Trading Opportunities for Developing Countries, third session

- ***March***

  7-15

  Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting, twelfth session

  14-18

  Working Party on the Medium-Term Plan and the Programme Budget, twenty-third session

  21-25

  Ad Hoc Working Group on the Interrelationship between Investment and Technology Transfer, third session

  28-31

  Ad Hoc Working Group on Investment and Financial Flows, fourth session

UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

ISSN 0259-3181